entitled immediately before the employee's continued rate was first established if the special pay adjustment factor for the new area had been applicable; and

- (2) Adjusting that rate as required under paragraph (b) of this section during the intervening period.
- (d) A special law enforcement adjusted rate of pay that is continued under this section terminates on the date any of the conditions specified in §531.304(f) is satisfied or on the date an employee is reduced in grade or is no longer in a position covered by a nationwide or worldwide special rate authorization (or, in the event of the conversion of a nationwide or worldwide special rate authorization to a local special rate authorization, a position covered by the new local special rate authorization).

[58 FR 69173, Dec. 30, 1993]

Subpart D—Within-Grade Increases

SOURCE: 46 FR 2319, Jan. 9, 1981, unless otherwise noted.

§531.401 Principal authorities.

The following are the principal authorities for the regulations in this subpart:

- (a) Section 2301(b)(3) of title 5, United States Code, provides in part that "appropriate incentives and recognition should be provided for excellence in performance."
- (b) Section 5301(a)(2) of title 5, United States Code, provides that "pay distinctions be maintained in keeping with work and performance distinctions."
- (c) Section 5338 of title 5, United States Code, provides that "The Office of Personnel Management may prescribe regulations necessary for the administration" of General Schedule pay rates, including within-grade increases.
- (d) Section 4 of the Performance Management and Recognition System Termination Act of 1993 (Pub. L. 103–89) provides that "the Office of Personnel Management shall prescribe regula-

tions necessary for the administration of this section. $\dot{}$

[51 FR 8419, Mar. 11, 1986, as amended at 59 FR 40793, Aug. 10, 1994; 60 FR 33098, June 27, 1995]

§531.402 Employee coverage.

- (a) Except as provided in paragraph (b) of this section, this subpart applies to employees who occupy permanent positions classified and paid under the General Schedule and who are paid less than the maximum rate of their grades.
 - (b) This subpart does not apply to:
- (1) Members of the Senior Executive Service established under subchapter II of chapter 31 of title 5, United States Code;
- (2) Individuals appointed by the President, by and with the advice and consent of the Senate; and
- (3) Employees of the government of the District of Columbia.

[46 FR 2319, Jan. 9, 1981, as amended at 50 FR 35499, Aug. 30, 1985; 58 FR 65536, Dec. 15, 1993; 60 FR 43947, Aug. 23, 1995]

§531.403 Definitions.

In this subpart:

Acceptable level of competence means performance by an employee that warrants advancement of the employee's rate of basic pay to the next higher step of the grade or the next higher rate within the grade (as defined in this section) of his or her position, subject to the requirements of §531.404 of this subpart, as determined by the head of the agency.

Agency means an agency defined in section 5102 of title 5, United States Code.

Calendar week means a period of any seven consecutive calendar days.

Critical element has the meaning given that term in § 430.203 of this chapter.

Employee means an employee of an agency.

Equivalent increase means an increase or increases in an employee's rate of basic pay equal to or greater than the difference between the employee's rate of basic pay and the rate of pay for the next higher step of that grade or the next higher rate within the grade (as defined in this section).

Next higher rate within the grade for a GM employee (as defined in §531.202)